

System Audit-ensuring the integrity



Session Overview



Need for Systems Audit

What is Systems Audit

Perspectives

Scope

Objectives

The Audit Process

Use the Tools

FCA Investigation results

- BCP was there but less focus on IT resilience.
- Inaccurate records of changes to systems.
- Not identify, understand or mitigate risk of a batch scheduler failure
- There was a lack of 'substantial' experience.
- Lack of IT knowledge held by group management.
- Incomplete audits of IT.
- Outage was due to a lack of safeguards not investment in IT.

What went wrong

- There was no collateral security at stake before issuing the LOUs
- The LOUs, supposed for 90 days, were given a one-year validity.
- The SWIFT-Maker, Checker and Verifier, which were bypassed.
- No Linkage between Swift and the bank's back-end software.
- Issue of LOUs were not recorded in the 'PNB' CBS.
- No rotation of employees in every three years.
- Training programmes that sharing of passwords is prohibited.
- Absence of worthwhile IS Audit ensured that misuse of ids and password went undetected.
- Internal audit, statutory audit and Regulatory audit failed to smell out the frauds.
- Combination of inferior technology, weak risk management and insufficient regulatory oversight.

IS Auditing



The process of collecting and evaluating evidence to determine whether a computer system

- safeguards assets,
- maintains data integrity,
- allows organisational goals to be achieved effectively, and
- uses resources efficiently.

IS Auditing

IS audit refers to any audit that encompasses wholly or partly, review and evaluation of

automated information processing systems,
related non-automated processes
and the interfaces between them

...ISACA

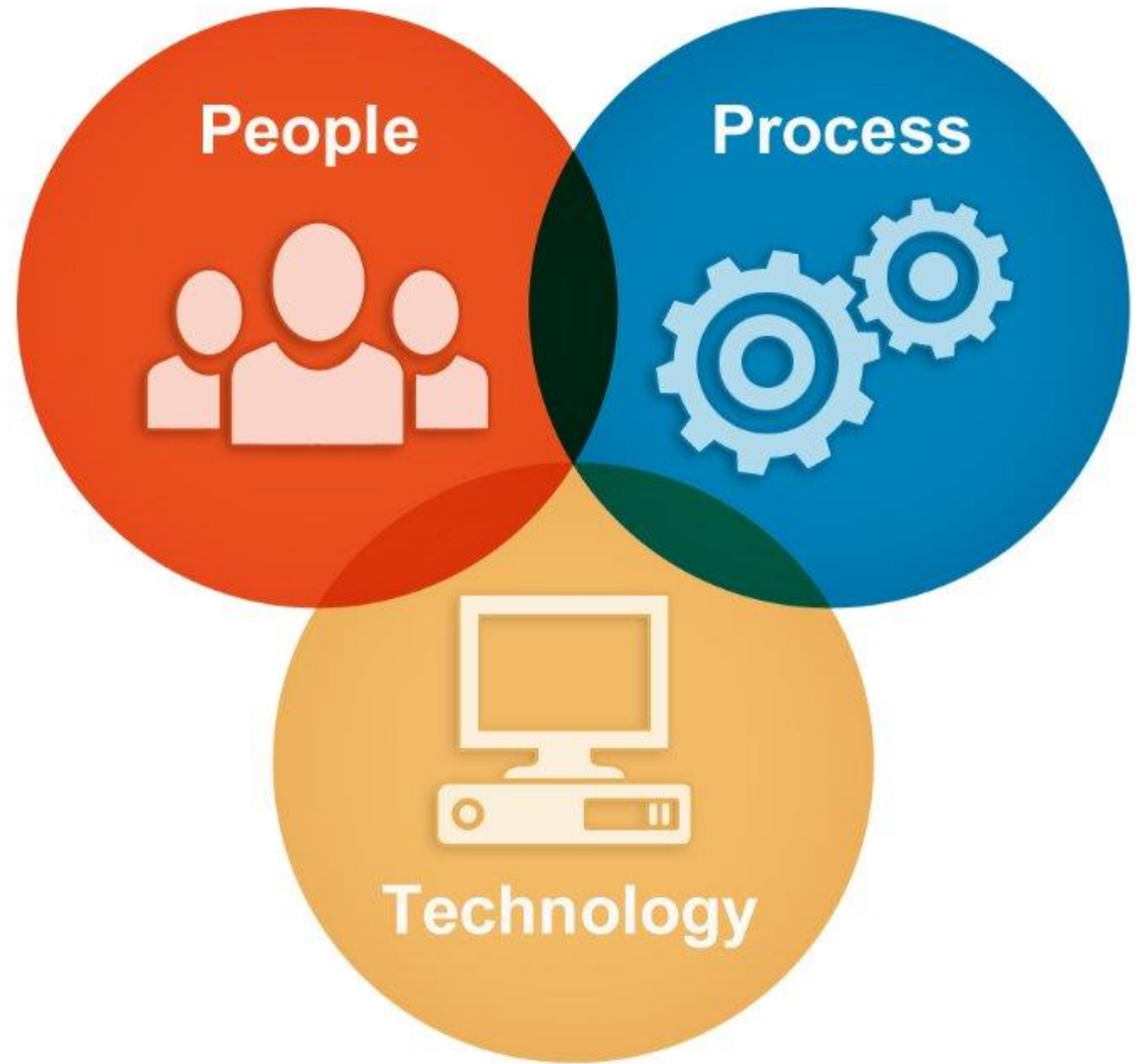
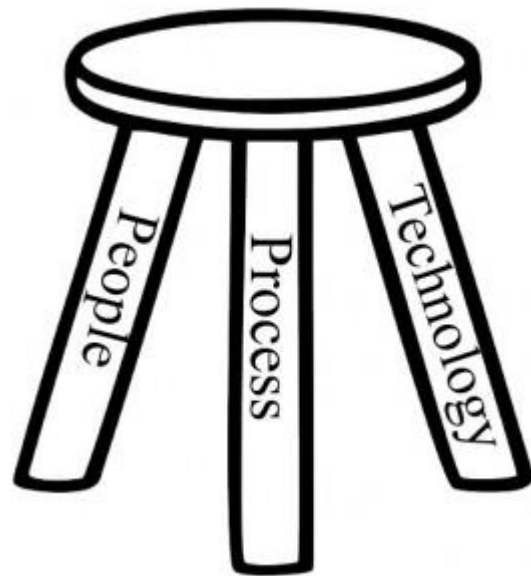
Regulatory perspective



Management's perspective



Key components



Controls

Control is defined as

policies, procedures, practices and enterprise structure

that are designed to provide reasonable assurance

that the business objectives will be achieved

and undesired events are

prevented,

detected

and

corrected

Scope of Audits



Objectives of IS Audit

Objectives of IS Audit

Fiduciary

Reliability

Compliance

Quality

Efficiency

Effectiveness

Security

Confidentiality

Integrity

Availability



Typical IS Audit Procedures



Subject

Objective & Scope

Pre-audit planning

Understanding Auditee Environment

Evidence

Evaluate Test Results

Communicate Results to Management

Reporting &

Follow - up

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Thank You